

46985

DEPT. OF TRANSPORTATION  
DOCKET SECTION

98 NOV 19 PM 4:14

BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
WASHINGTON, D.C.

Application of

**The Coast Airlines, Inc.,  
(formerly AIRPortland, Inc.)**

for a certificate of public convenience and necessity  
under 49 U.S.C. § 41102 to engage in interstate and  
overseas scheduled air transportation of persons,  
property, and mail

Docket OST-97-3049 - 9

**SUPPLEMENT NO. 5 TO THE APPLICATION OF  
THE COAST AIRLINES, INC. (FORMERLY AIRPORTLAND, INC.),  
FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

Communications with respect to this document should be sent to:

David A. Banrniller  
President and Chief Executive Officer  
The Coast Airlines, Inc.  
One Airport Center, Suite 104  
7700 NE Ambassador Place  
Portland, OR 97220-1394  
Telephone: (503) 288-8855

Jeffrey N. Shane  
Reginald J. Brown  
WILMER, CUTLER & PICKERING  
2445 M Street, N.W.  
Washington, D.C. 20037-1420  
Telephone: (201) 663-6000

Byron Milstead  
ATER WYNNE HEWITT DODSON  
& SKERRITT  
222 S. W. Columbia, Suite 1800  
Portland, OR 97201-6618  
Telephone: (503) 226-1191

*Counsel for The Coast Airlines, Inc.*

Dated: November 19, 1998

**BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
WASHINGTON, D.C.**

Application of

**The Coast Airlines, Inc.,  
(formerly AIRPortland, Inc.)**

for a certificate of public convenience and necessity  
under 49 U.S.C. § 41102 to engage in interstate and  
overseas scheduled air transportation of persons,  
property, and mail

Docket OST-97-3049

**SUPPLEMENT NO. 5 TO THE APPLICATION OF  
THE COAST AIRLINES, INC. (FORMERLY AIRPORTLAND, INC.),  
FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

The Coast Airlines, Inc., formerly AIRPortland, Inc. (“Applicant” or “The Coast”), hereby furnishes additional information required by the Department in connection with the Application filed in the instant docket. The Coast also wishes to amend some of the information currently before the Department, as more fully explained in the pages that follow.

This Supplement is organized under the following sections: (A) General Update, (B) Ownership and Management, and (C) Operational and Financial Data.

**A. GENERAL UPDATE.**

1. **Third Stage Financing.** After careful consideration of alternatives for the final pre-operation stage of financing,<sup>1/</sup> the Applicant has decided to secure its working capital through a private placement of convertible preferred stock. As planned, Black & Company will

---

<sup>1/</sup> As the Applicant has previously informed the Department, the Applicant’s pre-operation financing has been divided into three stages: (i) Pioneer Stage; (ii) Development Stage; and (iii) Working Capital Stage.

co-manage the private financing with Forest Street Capital (New Canaan, CT) and BlueStone Capital (New York, NY) as lead managers. A copy of the engagement letter dated October 3, 1998, is attached as Attachment A-1. A copy of the Private Placement Memorandum dated November 1998 is attached as Attachment A-2.<sup>2/</sup> The Applicant has reduced the minimum amount (net) sought in the private placement financing from \$25 million to \$23.4 million (Gross Proceeds of \$25 million minus placement fees). The Applicant expects to close this financing by January 31, 1999.

**2. Forecasts and Estimated Commencement of Operations.** Revised forecasts for Pre-Operations and Year 1 through 3 can be found in Section IV of the Private Placement Memorandum and detailed monthly forecasts for Years 1 through 3 can be found in Appendix D of the Private Placement Memorandum. In light of the revised forecasts and other factors, including the need to complete the FAA certification process and Third Stage Financing, the Applicant anticipates commencing its first flights between Portland, Oregon and New York (JFK) in April 1999, using two Airbus A320 aircraft.

**3. Additional Key Personnel.** The Applicant successfully recruited David A. Banrniller to serve as its new President and Chief Executive Officer. Mr. Banmiller joined the Applicant on October 1, 1998. Further discussion of this important development can be found in Section C. Mr. Jack Bland will continue to serve as the Chairman of the Applicant's Board of Directors. The Applicant also successfully recruited Thomas Kilboum to serve as its Chief Pilot and Director of Training.

---

<sup>2/</sup> Attachment A-2 is being filed simultaneously under separate cover together with a motion requesting confidential treatment pursuant to Rule 39 of the Department's Rules of Practice, 14 C.F.R. § 302.39.

**4. Corporate Name Change.** After completing extensive focus group research, the Applicant has changed its name to reflect more accurately its intended markets. The name “AIRPortland” was less successful in focus group research than alternatives that more clearly described the Applicant’s proposed point-to-point transcontinental service. The Applicant determined that the name “The Coast Airlines, Inc.” met market criteria and would gain acceptance among the traveling public. A wholly-owned subsidiary of AIRPortland, Inc. was formed in the name of The Coast Airlines, Inc. which, following Board of Directors and shareholder approvals, was merged into AIRPortland, Inc. AIRPortland, Inc. then changed its name to The Coast Airlines, Inc., thereby providing continuity and retaining the same taxpayer identification number. A copy of all pertinent legal documents can be found in Appendix A-3.

The Applicant requests that the instant docket be restyled to reflect the Applicant’s new corporate name.

**B. OPERATIONAL AND FINANCIAL DATA.**

**1. Development Stage Financing.** The Applicant (under the name AIRPortland) raised \$3,012,603 through the sale of 1,004,201 shares of common stock in a private placement completed on April 30, 1998. A letter from the Applicant’s legal counsel, Ater Wynne L.L.P., verifying such funding from the offering is provided as Attachment R-1.

**2. Revised Pre-Operation and Year 1 through 3 Forecasts.** The Applicant provides, in Section IV and Appendix D of the Private Placement Memorandum, revised forecasts for the Pre-Operation period and Year 1 as required. Years 2 and 3 are also included. The revisions are based on several factors: (a) flight commencement date revised to April 1, 1999; (b) different prioritization of commencement of service between city pairs; (c) a decision

to lease rather than purchase aircraft spare parts and to reconfigure aircraft seating;' and (d) actual cost data received from vendors offering to provide services to the Applicant.

As noted in Section IV of the Private Placement Memorandum, the Applicant intends to begin service in April 1999 with two daily round trip flights between Portland, Oregon and New York (JFK). An additional PDX/JFK round trip flight will be added in June 1999, and in October 1999 two round trip flights will commence between Oakland (OAK) and JFK. A third OAK/JFK round trip flight will be added in December 1999, bringing a total of six aircraft into service by the end of 1999.

c. **OWNERSHIP AND MANAGEMENT**

1. **President & CEO.** As indicated above, the Applicant successfully recruited David Banmiller as its new President and Chief Executive Officer. Mr. Banmiller joined the management team on October 1, 1998 and brings to the Applicant extensive airline management and operating experience. Compliance information on Mr. Banmiller is provided in Attachment C-1.

2. **Post Development Stage Stock Ownership.** As of October 31, 1998, there were 2,664,326 shares of common stock outstanding. Mr. Bland owns 574,000 shares of common stock (21.5%) and Tom Miller owns 167,000 shares of common stock (6.3%). Seventy-five individuals or entities own the remaining stock. Other than Mr. Bland, no shareholder currently owns 10% or more of the stock. Compliance information on Mr. Bland and Mr. Miller were

---

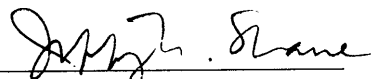
<sup>3/</sup> The Applicant intends to reconfigure its aircraft cabin seating into two, rather than three cabins, and to increase the number of seats per aircraft from 132 to 138. The Applicant's reconfigured cabins will feature average seat pitch of 34 inches, providing approximately 3-4 inches more leg-room than that offered by any competitor.

provided in a previous filing. More detailed information can be found in Appendix G of the Private Placement Memorandum.<sup>4/</sup> Mr. Alwyn Leyland, a Canadian citizen, purchased 166,667 shares of common stock in the Development Stage Private Placement and, as of October 31, 1998, owns 6.3% of the outstanding common stock of Applicant. Mr. Leyland is the only non-US citizen to have an ownership interest in the Applicant.

**3. Financial Personnel.** As requested by the Department, compliance information on Ralph Mellard, Controller, and David Barish, Managing Director - Corporate Finance, are provided in Attachment C-3.

**4. Chief Pilot And Director of Training Hired.** The Applicant has hired Thomas Kilbourn to serve as Chief Pilot and Director of Training. Captain Kilbourn's curriculum vitae and compliance information are provided as Attachment C-3.

Respectfully submitted,



Jeffrey N. Shane

Reginald Brown

WILMER, CUTLER & PICKERING

2445 M Street, N.W.

Washington, D.C. 20037-1420

Telephone: (202) 663-6000

Facsimile: (202) 663-6363

*Counsel to The Coast Airlines, Inc.*

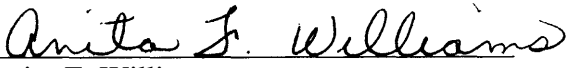
**DATED:** November 19, 1998

---

<sup>4/</sup> Appendix G describes the Applicant's anticipated stock ownership if all outstanding stock options are exercised. Under such circumstances, only Mr. Bland and Mr. Banmiller would own more than 10% of the Applicant's stock, with Mr. Bland's ownership interest decreasing to 14.2%, and Mr. Banmiller's interest increasing to 14.9%.

**CERTIFICATE OF SERVICE**

I hereby certify that I have this date served copies of the foregoing Supplement No. 5 to the Application of The Coast Airlines, Inc. (formerly AIRPortland, Inc.) for a Certificate of Public Convenience and Necessity on all persons on the attached service list by causing such copies to be sent via first class mail, postage prepaid, to the persons listed on the attached service list.

  
Anita F. Williams

DATED:        November 19, 1998

## **SERVICE LIST**

Federal Aviation Administration  
Director, Flight Standards Service - Room 821  
800 Independence Avenue, S. W.  
Washington, DC 2059 1

Mike Thome  
Executive Director  
Port of Portland  
700 NE Multnomah  
Portland, OR 97232

Executive Director  
Port Authority of New York & New Jersey  
One World Trade Center, 65N  
New York, NY 10048

Charles W. Foster  
Executive Director  
Oakland Airport Authority  
530 Water Street  
Oakland, CA 94607

A



One Southwest Columbia #1200 Portland, Oregon 97258  
v 503.248.9600 t 800.328.1599 f 503.248.7500

October 3, 1998



AIRPortland, Inc.  
322 NW Fifth Avenue, #225  
Portland, OR 97209

Gentlemen:

This letter, together with Exhibit A (the "Engagement Agreement") confirms our agreement with respect to AIRPortland (the "Company") retaining Forest Street Capital LLC, Bluestone Capital Partners, LP and Black & Company as its exclusive financial advisors ("Advisors") in connection with the raising of funds by Advisor for Client, the intent of which is to generate equity-related financing for Client in an amount of up to \$25 million and in marketing the offering to the appropriate parties on a best efforts basis (the "Transaction").

1. Scope and Certain Conditions of Service

Advisors will consult with and advise Client with respect to financial matters relating to the Transaction, including:

- Providing information and financial analyses relating to Client and the Transaction, it being understood the Advisors will rely entirely upon the information provided by the Client, without independent investigation or verification thereof;
- Assisting Client in the preparation of an offering memorandum for the distribution and presentation to potential counterparties to the Transaction;
- Identifying and contacting parties potentially interested in the Transaction;
- Assisting Client in the negotiations regarding the Transaction; and
- Rendering such other advisory services to Client as are appropriate and consistent with the terms of this Engagement Agreement.



2. Term of Retention

This Engagement Agreement shall be effective as of the date hereof and shall remain in effect until the earlier of the consummation of the Transaction, or April 30, 1999, at which point it may be extended by mutual consent, on the same terms contained herein. Notwithstanding anything herein to the contrary, the obligations under paragraph 3 hereof and Sections III through VII of Exhibit A shall survive any termination or expiration of this Engagement Agreement.

3. Fees and Expenses

In -consideration of the financial **advisory** services to be rendered by Advisors, Client shall pay Advisors a non-refundable retainer (the "Retainer") in the amount of seventy-five thousand (\$75,000) US dollars due and payable simultaneously with the execution of this Engagement Agreement.

In the event of a Transaction, during the term of this Engagement Agreement or within one (1) year after its expiration or termination, between Client and parties introduced to Client by Advisors, Client shall pay Advisors a fee (the "Success Fee") for funds raised in the aggregate amounts as follows:

<u>Security</u>	<u>Fees as a percentage of Gross Proceeds</u>
Common Stock	6%
Preferred Stock or Convertible Security (Client Security)	

If, however, in the event of a Transaction between Client and a prospective party to the Transaction listed in Exhibit B to this letter, Advisors shall receive a Success Fee of four percent (4.0%) of the funds raised from those parties. Advisors shall deliver to Client a written list of all parties introduced to Client by Advisors during the term of this Agreement not more than thirty (30) days after the expiration or termination of the Agreement,

R 48  
RGE  
JAB



The Success Fee, or appropriate part thereof, shall be paid to Advisors promptly upon closing of the Transaction. Advisor will also receive ~~seven (7)~~ warrants to purchase that number of the Client Security having an aggregate value equal to five percent (5%) of Gross Proceeds, at the price at which such security was sold in this Transaction.

Client shall, upon presentation by Advisors of an itemized statement, promptly reimburse Advisor for all its reasonable, necessary and accountable as pre-approved out-of-pocket expenses incurred in rendering services under this Engagement Agreement, including reasonable fees and disbursements of its legal counsel and such other outside consultants or advisors as may be retained by Advisors with the prior approval of Client; provided, however, that prior written approval of Client will be obtained in connection with any single expense exceeding \$5,000.

Gross Proceeds shall equal the total consideration paid in connection with a Transaction to the Client (which shall include amounts paid in escrow and all assumption of debt of Client). If such consideration may be increased by contingent payments after the date of the closing of a Transaction, the portion of the fee payable relating thereto shall be calculated and paid when and as such contingent payments are made. Consideration paid shall include consideration in any form, including without limitation cash, equity securities, assets, debt or other obligations. For purposes of computing the amount of such consideration, any non-cash form of consideration shall be treated as having a value equal to its fair market value at the time of the closing of a Transaction, as reasonably determined by mutual agreement between Advisors and Client.

4. Certain Terms Defined

Client shall also mean its successors and assigns and the holders of the assets of Client received upon liquidation of Client.

If the foregoing, together with Exhibit A, correctly sets forth our understanding and agreement, please confirm this by signing and returning to us the duplicate copy of this Engagement Agreement,

HP  
JAB  
RSC

HP  
JAB  
RSC



We appreciate this opportunity to be of service and we are looking forward to working with you on this matter,

Very truly yours,

Howard Sodokoff  
Forest Street Capital, LLC  
Date: 10/3/98

Robert G. Errigo, President  
Blue Capital Partners, LP  
Date: 10/3/98

Laura Black  
Managing Director, Corporate Finance  
Black & Company  
Date: 10/3/98

Accepted and Agreed  
AIRPortland, Inc.

By: David D. Bonwiller  
Name: David D. Bonwiller  
Title: Pres. CEO

Date: 10.6.98



## Exhibit A

### STANDARD TERMS AND CONDITIONS OF ENGAGEMENT AGREEMENT

The terms and conditions set forth in this Exhibit A are made a part of a letter of even date herewith from Advisors to Client to which this Exhibit A is attached and, together with such letter, constitute the entire Engagement Agreement between Advisors and Client. Capitalized terms used but not defined herein have the meanings ascribed to them in the letter to which this Exhibit A is attached,

#### Section I: Information

1. Client shall promptly provide Advisors with all relevant information about Client and the Transaction (to the extent available to Client in the case of parties other than the Client) that shall be reasonably requested or required by Advisors which information shall be accurate in all material respects at the time furnished. Client shall also provide Advisors reasonable access to Client's directors, officers, employees, independent accountants and other agents.
2. Advisors shall keep all information obtained from client confidential except:
  - (a) information which is otherwise publicly available or previously known to Advisors, or was obtained by Advisors independently of Client without breach of this Engagement Agreement;
  - (b) Advisors may disclose such information to their employees and attorneys, and to financial institutions and others designated by Client who need to know such information; and
  - (c) Pursuant to any order of a court of competent jurisdiction or other governmental body.

If Advisors breach their covenant with respect to confidentiality, Client's exclusive remedy shall be the return of a maximum of 50% of all fees paid to Advisors to the date the breach was discovered. Client expressly acknowledges that the actual damages in the event of such a breach would be difficult to compute and therefore agrees to accept this amount as liquidated damages therefore.



3. Client agrees that any report or opinion, oral or written, delivered to it by Advisors is prepared solely for Client's confidential use and shall not be reproduced, summarized, or referred to in any public document or given or otherwise divulged to any other person, other than Client's employees, without Advisors' prior written consent, except as may be required by applicable law or regulation.

#### Section II: Advisors' Involvement

1. In order for Advisors to perform its obligations, Client will inform Advisors of, and invite Advisors to participate in, all meetings and discussions between Client and any third party relating to the matters covered by this Engagement Agreement,

#### Section III: Fees

1. Any fee payable by Client to Advisors shall be paid in accordance with Paragraph 3 of the letter to which this Exhibit A is attached.
2. No fee payable to Advisors pursuant to any other agreement with Client or payable by Client to any other financial advisor or third party shall reduce or otherwise affect any fee payable by Client to Advisors hereunder or under the letter to which this Exhibit A is attached,
3. There shall be included in "other consideration" used to compute the fee of Advisors, any conditional, contingent or earn-out payments and any management, consulting or similar fees in excess of reasonable and ordinary fees.

#### Section IV: Client Representations and Warranties

1. Client represents and warrants that:
  - (a) it has full right, power and authority to enter into this Engagement Agreement and to perform all of its obligations hereunder;
  - (b) this Engagement Agreement has been duly authorized and executed and constitutes a valid and binding agreement of Client enforceable in accordance with its terms; and



- (c) the execution and delivery of this Engagement Agreement and the consummation of the transactions contemplated hereby does not conflict with or result in a breach of
  - o Client's certificate of incorporation or bylaws or
  - o Any agreement to which Client is a party or by which any of its property or assets is bound,

#### Section V: Indemnification

1. Client shall indemnify and hold harmless, Advisors, their consultants, attorneys, accountants, employees, agents, affiliates and controlled persons within the meaning of Section 20 of the Securities Exchange Act of 1934 and Section 15 of the Securities Act of 1933, each as amended (any and all of whom are referred to as an "Indemnified Party"), from and against any and all losses, claims, damages or liabilities, joint and several, as incurred, and all actions in respect thereof (including, but not limited to, all legal or other expenses reasonably incurred by an Indemnified Party in connection with the preparation for or defense of any claim, action or proceeding, whether or not resulting in any liability), sustained or incurred by an Indemnified Party:
  - (a) arising out of, or in connection with, any untrue statement or alleged untrue statement of a material fact contained in any offering memorandum or similar document prepared by Client in connection with the Transaction or any information furnished to Advisors by or on behalf of Client or the omission (or alleged omission) therefrom of a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; or
  - (b) with respect to, caused by or otherwise arising out of any transaction contemplated by this Engagement Agreement or Advisors' performing the services contemplated hereunder; provided, however, Client will not be liable under clause (b); hereof to the extent that any loss, claim, damage or liability is found in a final judgment by a court of competent jurisdiction to have resulted from Advisors' gross negligence or bad faith in performing such services, Client agrees that, without Advisors' prior written consent, it will not settle, compromise or consent to the entry of any judgment in any pending or threatened claim,



action or proceeding in respect of which indemnification could be sought hereunder (whether or not any of the Advisors or any other Indemnified Party is an actual or potential party to such claim, action or proceeding), unless such settlement, compromise or consent includes an unconditional release of each Indemnified Party from all liability arising out of such claim, action or proceeding. If an Indemnified Party is requested or required to appear as a witness in any action brought by, on behalf of or against Client or any other party to the Transaction in which such Indemnified Party is not named as a defendant, Client shall reimburse Advisors for all reasonable out-of-pocket expenses incurred by it in connection with such Indemnified Party's appearing and preparing to appear as such a witness, including, without limitation, the fees and disbursements of its legal counsel.

2. If the indemnification of an Indemnified Party provided for hereunder is for any reason held unenforceable, Client shall contribute to the losses, claims, damages and liabilities for which such indemnification is held unenforceable
  - (a) in such proportion as is appropriate to reflect the relative benefits to Client, on the one hand, **and** Advisors, on the other hand, of the Transaction or
  - (b) if (but only if) the allocation provided of in clause (a) is for any reason unavailable in such proportion to reflect not only the relative benefits referred to in clause (a), but also the relative fault of Client, on the one hand and Advisors, on the other hand, as well as any other relevant equitable considerations.

Client agrees that for the purposes of this paragraph the relative benefits to Client and Advisors of the Transaction shall be deemed to be in the same proportion that the total value received by Client as a result of or in connection with the Transaction bears to the fees paid or to be paid to Advisors hereunder; provided, however, that, to the extent permitted by applicable law, in no event shall the Indemnified Parties be required to contribute an aggregate amount in excess of the aggregate fees actually paid to Advisors,



3. The foregoing indemnification and contribution provisions are not in lieu of, but in addition to, any rights which any Indemnified Party may have hereunder or otherwise and shall remain in full force and effect regardless of any termination of, or the completion of any Indemnified Party's services under or in connection with this Engagement Agreement.
4. Each of the parties hereto agrees to notify the other party in writing promptly upon the assertion of any claim or the commencement of any action or proceeding against it or any other person or entity relating to any -activity contemplated by this Engagement Agreement; provided, however, that the failure to so notify the other party shall not alter any parties' rights or obligations under this Engagement Agreement unless such failure results in the unnotified party waiving any material defenses.

#### Section VI: Governing Law

1. This Engagement Agreement shall be governed by, and interpreted and enforced in accordance with, the laws of the State of Connecticut applicable to instruments made and to be performed entirely within such state.

#### Section VII: Miscellaneous

1. Nothing contained in this Engagement Agreement shall be construed to place Advisors and Client in the relationship of partners or joint ventures, Neither any of the Advisors nor Client shall represent itself as the agent or legal representative of the other for any purpose whatsoever nor shall either have the power to obligate or bind the other in any manner whatsoever, Advisors, in performing services hereunder, shall at all times be independent contractors, Client acknowledges and agrees that Advisors have been retained to act solely as financial advisors to Client, In such capacity, any duties of Advisors arising out of their engagement pursuant hereto shall be owed solely to Client.
2. This Engagement Agreement may not be assigned or otherwise transferred by either Client or Advisors, except that Advisors may assign



this Engagement Agreement to any entity or entities that Advisors control, are controlled by or are under common control with, This Engagement Agreement is solely for the benefit of Client, Advisors and the permitted assigns provided above,

3. This Engagement Agreement constitutes the entire understanding and agreement between the parties with respect to its subject matter and there are no agreements or understandings with respect to the subject matter that are not contained in this Engagement Agreement. This Engagement Agreement may be waived, amended or modified only in writing signed by each party hereto,
4. Client acknowledges that Advisors may, at their option and expense, place an announcement in such newspapers and periodicals as they may choose, stating that Advisors have acted as the exclusive financial advisor to Client in connection with any Transactions.

#### Section VIII: Arbitration

1. Any claim or controversy arising out of or relating to this Engagement Agreement or its breach shall, upon the request of any party involved, be submitted to and determined by arbitration in accordance with the rules of the American Arbitration Association then in effect, in the State of Connecticut. The decision made pursuant to arbitration shall be binding and conclusive on all parties involved; and judgment upon that decision may be entered in the highest court of any forum, federal or state, having jurisdiction.

SIGNATURES FOLLOW ON NEXT PAGE



Howard Sodokoff

Forest Street Capital Corp

Date: 10/3/98

Robert G. Errigo, President

Bluestone Capital Partners, LP

Date: 10/3/98

Laura Black

Managing Director, Corporate Finance

Black & Company

Date: 10/3/98

Accepted and Agreed

AIRPortland, Inc.

Name: David A. Bannister

Title: Pres. CEO

Date: 10.6.98

November 12, 1998

**VIA FEDERAL EXPRESS**

Mr. Jeffrey N. Shane  
Wilmer Cutler & Pickering  
2445 M Street, NW  
Washington, DC 20037-1420


Re: The Coast Airlines, Inc.

Dear Jeff:

Accompanying this transmittal letter, please find copies of the Articles of Merger, relating to the merger of The Coast Airlines, Inc. with and into **AIRPortland**, Inc., and Articles of Amendment, reflecting the change of the name of **AIRPortland**, Inc. to The Coast Airlines, Inc. Ty Pettit asked that we forward these materials to you so that they may be included in your submission to the Department of Transportation on behalf of the Company.

Please do not hesitate to contact me if you require any additional materials with respect to this reorganization and name change.

Very truly yours,



Byron W. Milstead

Enclosures



Phone: (503) 986-2200

Fax: (503) 378-4381

ARTICLES OF AMENDMENT—BUSINESS/PROFESSIONAL/NONPROFIT

Secretary of State  
Corporation Division255 Capitol St. NE, Suite 151  
Salem, OR 97310-1327

Check the appropriate box below:

For office use only

- ☒ BUSINESS/PROFESSIONAL CORPORATION  
(Complete only 1,2,3,4,6,7)
- ☐ NONPROFIT CORPORATION  
(Complete only 1,2,3,5,6,7)

FILED

NOV 10 1998

SECRETARY OF STATE

Registry Number: **542635-88**

Attach Additional Sheet if Necessary

Please Type or Print Legibly in **Black** Ink1) NAME OF CORPORATION PRIOR TO AMENDMENT **AIRPortland, Inc.**

2) STATE THE ARTICLE NUMBER(S) AND SET FORTH THE ARTICLE(S) AS IT IS AMENDED TO READ. (Attach a separate sheet a necessary.)

**See Exhibit A attached hereto**3) THE AMENDMENT WAS ADOPTED ON: **November 10, 1998**

(If more than one amendment was adopted, identify the date of adoption of each amendment.)

## BUSINESS/PROFESSIONAL CORPORATION ONLY

4) CHECK THE APPROPRIATE STATEMENT

- ☒ Shareholder action was required to adopt the amendment(s). The vote was as follows:

class or series of shares	Number of shares outstanding	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST
Common	2,664,326	2,664,326	1,696,875	15,030

- ☐ Shareholder action was not required to adopt the amendment(s). The amendment(s) was adopted by the board of directors without shareholder action.
- ☐ The corporation has not issued any shares of stock. Shareholder action was not required to adopt the amendment(s). The amendment(s) was adopted by the incorporators or by the board of directors.

## NONPROFIT CORPORATION ONLY

5) CHECK THE APPROPRIATE STATEMENT

- ☐ Membership approval was not required. The amendment(s) was approved by a sufficient vote of the board of directors or incorporators.
- ☐ Membership approval was required. The membership vote was as follows:

Class(es) entitled to vote	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

6) EXECUTION

Printed Name,

**DAVID A. BANMILLER**

Signature

Title

**Pres/CEO**

7) CONTACT NAME

DAYTIME PHONE NUMBER

**Brenda Welter, Paralegal****(503) 226-1191**

## FEES

Make check for \$10 payable to  
"Corporation Division."VOTE: Filing fees may be paid with  
VISA or Master Card. The card  
number and expiration date should  
be submitted on a separate sheet  
for your protection.

**EXHIBIT A**

**THIRD AMENDMENT  
TO  
ARTICLES OF INCORPORATION  
OF  
AIRPORTLAND, INC.**

Article I of the Corporation's Articles of Incorporation is hereby amended, in its entirety to read as follows:

**I.**

The name of the corporation is The Coast Airlines, Inc.



Phone: (503) 986-2200

Fax: (503) 378-4381

ARTICLES OF MERGER

Secretary of State  
Corporation Division  
255 Capitol St. NE, Suite 151  
Salem, OR 97310-1327

Check the appropriate box below

☐ BUSINESS/PROFESSIONAL CORPORATION  
(Complete only 1,2,3,4,10,11)

☒ FOR PARENT AND 90% OWNED SUBSIDIARY  
WITHOUT SHAREHOLDER APPROVAL  
(Complete only 5,6,7,8,9,10,11)

**FILED**

NOV 10 1998

SECRETARY OF STATE

Registry Number: 542635-88

Attach Additional Sheet if Necessary  
Please Type or Print Legibly in Black Ink

**BUSINESS/PROFESSIONAL/NONPROFIT CORPORATION ONLY**

NAMES OF THE CORPORATIONS PROPOSING TO MERGE

A. \_\_\_\_\_

B. \_\_\_\_\_

NAME OF THE SURVIVING CORPORATION \_\_\_\_\_

☐ Check here if there is a name change in this plan of merger.

A COPY OF THE MERGER PLAN IS ATTACHED.

CHECK THE APPROPRIATE STATEMENTS FOR CORPORATION A AND CORPORATION B BELOW.

**CORPORATION A**

☐ Shareholder/membership approval was not required. The plan was approved by a sufficient vote of the board of directors.

☐ Shareholder/membership approval was required. The vote was as follows:

If Corporation A is a business/professional corporation:

Class or series of shares	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

If Corporation A is a nonprofit corporation

Class(es) entitled to vote	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

**CORPORATION B**

☐ Shareholder/membership approval was not required. The plan was approved by a sufficient vote of the board of directors.

☐ Shareholder/membership approval was required. The vote was as follows:

If Corporation B is a business/professional corporation:

Class or series of shares	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

If Corporation B is a nonprofit corporation

Class(es) entitled to vote	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

FOR PARENT AND 90% OWNED SUBSIDIARY WITHOUT SHAREHOLDER APPROVAL

NAME OF PARENT CORPORATION AIRPortland, Inc.

Oregon Registry Number 542635-88

NAME OF SUBSIDIARY CORPORATION The Coast Airlines, Inc.

Oregon Registry Number 656568-87

NAME OF SURVIVING CORPORATION AIRPortland, Inc.

COPY OF PLAN

A copy of the plan of merger setting forth the manner and basis of converting shares of the subsidiary into shares, obligations, or other securities of the parent corporation or any other corporation or into cash or other property is attached

CHECK THE APPROPRIATE Box

☐ A copy of the plan of merger or summary was mailed to each shareholder of record of the subsidiary corporation on or before \_\_\_\_\_

☐ The mailing of a copy of the plan or summary was waived by all outstanding shares.

**EXECUTION**

Printed Name

Ty Pettit

Signature

[Signature]

Title

Secretary

CONTACT NAME

Brenda Welter, Paralegal

DAYTIME PHONE NUMBER

(503) 226-1191

**FEES**

Make check for \$10 payable to "Corporation Division."

NOTE: Filing fees may be paid with VISA or Master Card. The card number and expiration date should be submitted on 8 separate sheet for your protection.

## PLAN OF MERGER

Plan of Merger dated as of November 10, 1998 ("Plan of Merger") between AIRPortland, Inc., an Oregon corporation ("AIRPortland"), and The Coast Airlines, Inc., an Oregon corporation ("The Coast").

### RECITALS:

- A. The Coast has authorized Stock consisting of 1,000 shares of Common Stock having par value of \$.001, of which 100 shares are issued and outstanding.
- B. AIRPortland owns beneficially and of record 100 shares of the Common Stock of The Coast representing 100 percent of the issued and outstanding common stock of The Coast.
- C. The Boards of Directors of AIRPortland and The Coast deem it advisable and in the best interests of AIRPortland and The Coast and in the best interests of the shareholders of AIRPortland and The Coast that The Coast be merged with and into AIRPortland (the "Merger").
- D. The Board of Directors of AIRPortland desires to accomplish the merger in accordance with the provisions of Or. Rev. Stat § 60.491.

### TERMS AND CONDITIONS:

NOW, THEREFORE, AIRPortland and The Coast hereby agree as follows:

#### I. Constituent Corporations.

1.1 AIRPortland is duly incorporated and validly existing under the laws of the state of Oregon and its principal place of business is 7700 NE Ambassador Place, Suite 104, Portland, Oregon 97220.

1.2 The Coast is duly incorporated and validly existing under the laws of the state of Oregon and its principal place of business is 7700 NE Ambassador Place, Suite 104, Portland, Oregon 97220.

#### II. The Merger.

2.1 In accordance with Or. Rev. Stat. § 60.494, the Merger shall become effective at the time (herein referred to as the "Effective Time"): (i) Articles of Merger in substantially the form of Exhibit 1 hereto, together with this Plan of Merger annexed thereto are filed with the Secretary of State of the State of Oregon; or (ii) such later date or time as may be specified in the Articles of Merger by agreement of AIRPortland and The Coast.

2.2 At the Effective Time, The Coast shall be merged with and into AIRPortland upon the terms and conditions set forth in this Plan of Merger in accordance with the requirements of Oregon law. Thereupon, the separate corporate existence of AIRPortland, with all of its rights, privileges, immunities, powers, and purposes shall continue unaffected and unimpaired by the Merger, and AIRPortland, as the corporation surviving the Merger, shall be fully vested therewith. The separate

corporate existence of The Coast shall cease upon the Merger becoming effective as herein provided and thereupon AIRPortland and The Coast shall be a single corporation.

2.3 At the Effective Time, AIRPortland shall succeed to all of the rights, privileges, powers, immunities and franchises of The Coast, all of the properties and assets of The Coast, and all of the debts, choices in action and other interest due or belonging to The Coast, and shall be subject to, and responsible for, all of the debts, liabilities, and obligations of The Coast, with the effect set forth in the Oregon Business Corporation Act.

III. Articles of Incorporation, Bylaws and Board of Directors and Officers of AIRPortland.

3.1 The Articles of Incorporation of AIRPortland in effect immediately prior to the Effective Time shall be the Articles of Incorporation of AIRPortland after the Effective Time until amended in accordance with provisions of the Oregon Business Corporation Act.

3.2 The Bylaws of AIRPortland in effect immediately prior to the Effective Time shall be the Bylaws of AIRPortland after the Effective Time until amended thereafter as provided therein or in accordance with provisions of the Oregon Business Corporation Act.

3.3 The directors and officers of AIRPortland immediately prior to the Effective Time shall constitute the Board of Directors and the officers, respectively, of AIRPortland after the Effective Time until expiration of their current terms as such, or prior resignation, removal or death, subject to the Articles of Incorporation and Bylaws of AIRPortland.

IV. Cancellation of Shares.

At the Effective Time, each share of the issued and outstanding Common Stock of The Coast shall be canceled without any consideration being issued or paid therefore.

V. Abandonment of the Merger.


Notwithstanding the approval of this Plan of Merger by the Boards of Directors of AIRPortland or The Coast, the Merger may be abandoned in this Plan of Merger may be terminated at any time prior to the Effective Time.

VI. Articles of Merger.

Articles of Merger as required by Or. Rev. Stat. § 60.494 shall be filed with the Secretary of State of the State of Oregon on such date as may be designated by the Boards of Directors of AIRPortland and The Coast.

IN WITNESS WHEREOF, this Plan of Merger has been executed as of the day and year first above written.

**AIRPORTLAND, INC.**

By:   
Ty Pettit, Vice President

**THE COAST AIRLINES, INC.**

By:   
Ty Pettit, Secretary

B

September 21, 1998

Delores King  
U.S. Department of Transportation  
Air Carrier Fitness Division  
400 Seventh Street, S.W.  
Washington, D.C. 20590

Re: AIRPortland, Inc.  
Docket OST-97-3049

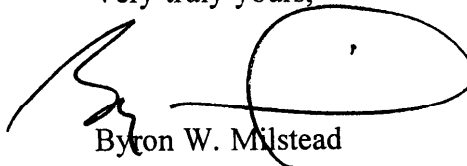
Dear Ms. King:

Our law firm serves as counsel to AIRPortland, Inc. (the "Company"). We provided legal counsel to the Company in its recent development stage financing. Our firm's assistance included holding checks in escrow ~~pending the closing of the development stage financing~~, verifying funds received and other aspects of closing a sale of securities through a private placement. This letter serves to verify that the Company raised **\$3,012,603** million in that financing through the sale of common stock at a price per share of \$3. We hereby confirm the Company's receipt of the funds as follows:

<u>Date</u>	<u>A m o u n t</u>	<u># of Shares</u>
4/17/98	\$2,659,503	886,501
4/24/98	\$ 308,100	102,700
4/30/98	\$ 45,000	<u>15,000</u>
TOTAL	\$3,012,603	1,004,201

Please do not hesitate to contact me at (503) 226-1191 if you have any questions regarding the foregoing.

Very truly yours,



Byron W. Milstead

BWM:bmw

P O R T L A N D

S E A T T L E

C

Exhibit 3(a)

## M E M O R A N D U M

---

TO: AIRPortland "Key Personnel"

FROM:

RE: AIRPortland  
DOT Application Questionnaire

DATE:

---

The information contained in this DOT Application Questionnaire and/or this questionnaire when completed will be submitted to the Department of Transportation (DOT) in connection with **AIRPortland's certification** application. Please answer **all** questions. Provide more details where requested. Sign and date the form, and return to me without delay. Please indicate if you desire **any** part of your response to be kept confidential. . "Key personnel" includes without limitation, directors, president, CEO, COO, all vice-presidents, directors or supervisors of operations, maintenance and finance, chief pilot and any part-time or full-time consultants to management.

- 
1. Please state your name and residence address:

David A. Basmiller

0320 SW Montgomery Unit 225

Portland, OR 97201

2. Title or Position with AIRPortland:

President & CEO

---

3. Current employment, position, business address, and telephone:

ONE AIRPORT CENTRAL

2700 NE Ambassador Place, Suite 104

Portland, OR 97220

4. Are you a citizen of the United States? . . . . . Yes X No

5. If you are not a U.S. citizen, please indicate your nationality and current immigration status:

6. Are you currently an officer, director or major shareholder (5% or more of the total stock), or do you have any other significant interest in any air carrier, foreign air carrier, common carrier, person substantially engaged in the business of aeronautics, or person whose principal business is the ownership or control of any such transportation or aeronautic activity? . . . . . Yes        No X

(If your answer is "Yes," please provide detailed information relating to each such relationship or interest in the space provided in Attachment A to this questionnaire).

7. Have you held, in the past, any position with any U.S. or foreign air carrier, or other aviation related business? . . . . . Yes X No

(If "Yes," please provide information regarding all positions held, with dates and responsibilities, and any other relevant information in the space provided in Attachment A.)

8. Are you the subject of any pending legal action, or outstanding judgment, involving a claim in excess of \$5,000? . . . . . Yes N No X

(If "Yes," please provide date and amount of each claim or judgment, and name of each claimant or judgment creditor, in the space provided in Attachment A).

9. Are you the subject of any pending legal action or outstanding judgment involving a claim of less than \$5,000? . . . . . Yes        No X

(If "Yes,"\* provide total number and aggregate amount of all claims and/or judgments outstanding against you in the space provided in Attachment A.)

10. Have you ever been the subject of a formal complaint regarding compliance with the Federal Aviation Act of 1958, or **any** order, rule, regulation or other requirement issued pursuant to the Act, during the past five (5) years? . . . . . Yes \_\_\_\_\_ No X

(If "Yes," describe each complaint, and indicate the current status or **final** disposition of each complaint in the space provided in Attachment A.)

11. Have you ever been found guilty of any violations of the Federal Aviation Act, or any other, rule or regulation issued under the Act, during the past ten (1) years? . . . . . Yes \_\_\_\_\_ No X

(If "Yes," please describe, and indicate disposition or current status of each **proceeding** in the space provided in Attachment A.)

12. Have you ever been the subject of an action taken by the Federal Aviation Administration (FAA) involving **administration** action, civil penalties or injunctive relief, seizure or aircraft, certification action or criminal penalties during the past ten (10) years? . . . . . Yes \_\_\_\_\_ No X

(If "Yes," please describe, and indicate disposition or current status of each action in the space provided in Attachment A.)

13. Have you ever been charged with any unfair or deceptive or anticompetitive business practices, or any fraud, felony or antitrust violation during the past ten (10) years? . . . . . Yes \_\_\_\_\_ No X

(If "Yes," please describe, and indicate disposition or current status of each **proceeding** in the space provided in Attachment A.)

14. Have you ever been the subject of a consumer complaint **proceeding** during the past three (3) years? . . . . . Yes \_\_\_\_\_ No X

(If "Yes," please describe and indicate current status in the space provided in Attachment A.)



Signature

David A. Baumiller  
Print Name

Attachment

**ATTACHMENT A**  
**DOT APPLICATION QUESTIONNAIRE**

Name of Person Responding - David A. Banmiller

Question

Number

Detailed Response

8) **Mr.** Banmiller is one of several defendants in an action commenced by Mercury Air Group in the District Court of Harris County, Texas, against certain former officers and agents of Sun Jet International, Inc. The complaint alleges that the defendants induced Mercury Air Group, an aviation services provider, to enter into a fuel agreement and to invest in Sun Jet International prior to **that** company's filing of a bankruptcy petition. Mr. Banmiller and the other defendants believe the allegations to be completely without merit and are vigorously defending the legal action.

7) Please see attached Resume

## DAVID A. BANMILLER

7700 NE Ambassador Place, Suite 104  
Portland, OR 97220  
503-288-8855  
503-288-1222 Fax

0320 SW Montgomery, #225  
Portland, OR 97201  
503-499-6700 Home  
email dbanmiller@aol.com

---

1998 – Present

The Coast Airlines, Inc.  
Portland, OR

### President and Chief Executive Officer

Joined new entrant Airline, **AIRPortland**, inc. which was formed by local business leaders in Portland to provide frequent, full service, non-stop transcontinental service between secondary and under-served airports in major West Coast Metropolitan areas and major commercial and financial centers on the East Coast. Changed the name to "The Coast Airlines, Inc. to more properly identify it's markets and the focus on Coast to Coast service, by passing major Carrier Hubs.

1997 - 1998

Pan American World Airways, Inc.  
Miami, Florida

### President and Chief Executive Officer

At the request of the Board of Pan Am, accepted (in late November 1997) the challenge of saving the company after its merger with Carnival Airlines and reversing the combined losses of \$100 million plus experienced in the previous 12 months. Annualized revenues of **\$270M** were projected for 1998, involving 1850 employees and 20 aircraft. Actions included fleet rationalization, reduction in senior management, significant cost cuts, management reorganization, and route changes. Although the short-term actions caused a significant turnaround, the lack of time and capital required a restructure through the Chapter 11 process. The downsized enterprise was positioned for positive earnings after implementation of the new Business Plan.

1993 - Present

The Falcon Group, Inc.  
Newport Beach, California

### President

Engaged by **PacifiCorp** Financial Services, Inc. under a short term management contract to evaluate aviation investment opportunities, oversee a leasing portfolio of fifty-two (52) commercial aircraft and an aviation consulting practice - **GRA** (Gellman Research Associates). This served as the catalyst in forming The Falcon Group, a company focused on various aviation and environmental business opportunities. Engaged in numerous international assignments, several in association with the World Bank, to include: China (CAAC), Greece (Olympic Airways), Sri Lanka (Air Lanka), Thailand (Air Bangkok), and the Philippines (Philippine Airlines). Other clients included the FAA, AT&T, Unisys, TWA, Hawaiian, and The Fremont Group. Domestically, developed the business plan and managed the Private Placement of Securities for a proposed start-up airline in Nashville. Managed Sun Jet International, Inc. for one year as President & CEO to complete a \$12 million Private Placement, then position the company for an initial public offering (IPO). Conditions in the industry affected the growth strategy because of adverse customer perceptions of low-fare carriers and the disappearance of venture capital required a retrenchment.

**1989 - 1992****AIR/LYON, INC.  
Newport Beach, California****President**

Established as a holding company in 1989 to focus on the major aviation opportunities of the '90's, the selling and providing of a full array of aviation support services. Growth came through the acquisition of five existing, mature, well-respected companies in their field and the subsequent marketing and operating of the services in a synergistic, coordinated, complimentary manner. Air/Lyon acquired all Martin Aviation, International Aircraft Support, Elsinore Aerospace Services, Airborne Closed Circuit Television and Million Airls in its first 12 months of existence. A full range of aviation products were offered to include: ground servicing, aircraft maintenance for all types of airplanes, engineering services, aircraft sales, jet engine and engine parts sales and leasing, contract labor services, hangar and tie-down facilities, flight training, worldwide charter services, and a variety of specialty products and government services. The organization generated approximately \$85 million in annual sales and employed nearly 800 people in more than 40 locations around the world.

**1987 - 1989****AMERICAN AIRLINES  
Dallas, Texas****Vice President - International Services**

Joined American to develop a domestically oriented company into an international carrier primed for worldwide expansion. Duties included line responsibility for all international operations in 16 cities in Europe, Mexico and Japan; international security; freight sales; passenger sales in Mexico and Japan; and staff responsibility for product quality. Directly managed 1,000 employees with a \$61 million budget, boarding over 1 million passengers and 46 million tons of cargo annually.

Reduced expenses by \$4.2 million annually through productivity improvements including cross utilization of station personnel; developed revenue enhancements through seating configuration changes; improved landing slots in Tokyo; gained preferential facilities in Zurich; obtained self-handling rights in Madrid; analyzed competitive in-flight product resulting in highly effective service and quality improvements on overseas routes.

**1978 - 1987****AIR CAL, INC.  
Newport Beach, California****President and Chief Operating Officer**

During a critical time in the early 1980's, the company experienced serious losses. Tasked with putting into place a major marketing program to reverse the losses plus a cost reduction program. Returned the company to profitability with subsequent profits of \$8.5 million in 1984 and \$9.3 million in 1985. Managed the IPO and road show, raising \$30 million in equity; raised an additional \$33.6 million in equity through a preferred stock offering and \$29.2 million by selling subordinated debentures; negotiated for \$90 million in new aircraft to protect noise critical landing slots; negotiated pilot agreement with reduced rates on new equipment; achieved part-time flexibility with Transport Workers Union; managed 5 successful union negotiations. Developed "quick turn" program to reduce ground time by 30% with aircraft utilization increasing 13% to 11 hours plus on time performance improved considerably.

Airline consolidation activity and significant changes in the marketplace caused us to review our long-term strategy. The result was a proposal to American Airlines involving participation in a joint marketing agreement between the two airlines. This ultimately led to merger discussions in late 1986, acquisition in December 1986 and full integration in July 1987. The \$15 per share cash price represented four times book value and a significant premium to trading price. The integration was accomplished successfully and on schedule.

Positions held while at **Air Cal included: President, Chief Operating Officer; Senior Vice President**, Marketing Services; Vice President, Marketing; Vice President, Passenger Services; Director, Station Services.

*1966 - 1978***Trans World Airlines, Inc.**

Progressed through eight management positions, starting as a management trainee at Chicago O'Hare. Obtained operating and sales experience in numerous front line positions. Spent three years as a financial analyst in Chicago and New York. Developed operating efficiency improvements, both domestic and international, through on-site analysis of operating procedures. Relocated to Los Angeles in 1971, serving in various functional manager capacities including passenger service, ramp and operations, dining and commissary, sales **and** cargo service.

**EDUCATION**

**B.A., Villanova University - Valedictorian**

**M.B.A., Loyola-Marymount University**

**MEMBERSHIPS**

**Past Member - Young Presidents Organization (YPO)**

**Member - The Wings Club**

**Born May 21, 1944**

## DAVID A. BANMILLER

---

### REFERENCES

George Argyros		Former Owner, Seattle Mariners; former Vice Chairman, Air Cal; Past Board Member, Hawaiian Airlines; Chairman, Arnel Development <b>714/434-5052</b>
Bob Baker	--	Executive Vice President, American Airlines <b>817/884-7500</b>
Frank Berardino	--	President, GRA (Gellman Research Associates) <b>215/884-7500</b>
Roger Briggs		Managing Director, Equitable Securities <b>615/780-9313</b>
Don Carty		President and CEO, American Airlines <b>817/967-3500</b>
Charles E. Cobb, Jr.		Former Ambassador to Iceland, Former Chairman of the Board for Pan American World Airways <b>305/441-1 700</b>
Michael Cox		Sr. Vice President, The <b>Seabury</b> Group <b>713/523-5151</b>
Howard S. Frank		Vice Chairman and COO, Carnival Corporation <b>305/599-8647</b>
Bob Jaunich		Managing Director, The Fremont Group (Bechtel Investments) Board Member, Bechtel <b>415/768-4258</b>
Wes Kaldahl	--	Retired Senior Vice President International, American Airlines <b>214/931-6821</b>
Kenneth Leventhal		Founder, Leventhal and Company (merged with Ernst & Young) <b>310/785-4070</b>

## DAVID A. BANMILLER

---

### REFERENCES (CONTINUED)

General Wm. Lyon	--	USAF (Retired); former Chairman, Air Cal; former Board Member, American Airlines The William Lyon Companies <b>714/476-5221</b>
John <b>Mansour</b>	--	Chairman, Sun Jet; President, JM Developments <b>813/530-1515</b> , Extension 205
T. Allan McArtor	--	CEO, Legend Airlines; Past Administrator, FAA; former Executive Vice President, Federal Express <b>214/358-6333</b>
C. Thomas <b>Nulty</b>	--	President, Associated Travel Management (Largest California Based Travel Agency) <b>714/549-2552</b>
John Pincavage	--	Senior Vice President/Airline Analyst, Dillon Read <b>212/906-7555</b>
Fred Reid	--	President, Lufthansa Airlines 49-69-696-8350
Jeff Shane	--	Wilmer, Cutler and Pickering, State Department <b>202/663-6909</b>
John J. Sicilian	--	Chairman, President and Liquidating Agent for the Eastern Airlines Estate <b>305/873-3455</b>
Steven Udvar-Hazy	--	President & CEO, International Lease Finance Corp. <b>310/788-1999</b>

Exhibit 3(a)

MEMORANDUM

---

TO: AIRPortland "Key Personnel"

FROM:

RE: AIRPortland  
DOT Application Questionnaire

DATE:

---

The information contained in this DOT Application Questionnaire **and/or** this questionnaire when completed will be submitted to the Department of Transportation (DOT) in connection with AIRPortland's certification application. Please answer all questions. Provide more details where requested. Sign and date the form, and return to me without delay. Please indicate if you desire any part of your response to be kept confidential. "Key personnel" includes without limitation, directors, president, CEO, COO, all vice-presidents, directors or supervisors of operations, maintenance and finance, chief pilot and any part-time or full-time consultants to management.

- 
1. Please state your name and residence address:

RALPH L. MELLARD

712 HARPETH TRACE DRIVE

NASHVILLE, TN 37221

2. Title or Position with AIRPortland:

CONTROLLER/TREASURER

---

3. Current employment, position, business address, and telephone:

---

---

---

4. Are you a citizen of the United States? . . . . . Yes ☒ No ☐

5. If you are not a U.S. citizen, please indicate your nationality and current immigration status:

---

---

6. Are you currently an officer, director or major shareholder (5% or more of the total stock), or do you have any other significant interest in any air carrier, foreign air carrier, common carrier, person substantially engaged in the business of aeronautics, or person whose principal business is the ownership or control of any such transportation or aeronautic activity? . . . . . Yes ☐ No ☒

(If your answer is "Yes," please provide detailed information relating to each such relationship or interest in the space provided in Attachment A to this questionnaire).

7. Have you held, in the past, any position with any U.S. or foreign air carrier, or other aviation related business? . . . . . Yes ☒ No ☐

(If "Yes," please provide information regarding all positions held, with dates and responsibilities, and any other relevant information in the space provided in Attachment A.)

8. Are you the subject of any pending legal action, or outstanding judgment, involving a claim in excess of \$5,000? . . . . . Yes ☐ No ☒

(If "Yes," please provide date and amount of each claim or judgment, and name of each claimant or judgment creditor, in the space provided in Attachment A.)

9. Are you the subject of any pending legal action or outstanding judgment involving a claim of less than \$5,000? . . . . . Yes ☐ No ☒

(If "Yes," provide total number and aggregate amount of all claims and/or judgments outstanding against you in the space provided in Attachment A.)

10. Have you ever been the subject of a formal complaint regarding compliance with the Federal Aviation Act of 1958, or any order, rule, regulation or other requirement issued pursuant to the Act, during the past five (5) years? . . . . . Yes \_\_\_\_\_ No ✓

(If "Yes," describe each complaint, and indicate the current status or final disposition of each complaint in the space provided in Attachment A.)

11. Have you ever been found guilty of any violations of the Federal Aviation Act, or any other, rule or regulation issued under the Act, during the past ten (1) years?

. . . . . Yes \_\_\_\_\_ No ✓

(If "Yes," please describe, and indicate disposition or current status of each proceeding in the space provided in Attachment A.)

12. Have you ever been the subject of an action taken by the Federal Aviation Administration (FAA) involving **administration** action, civil penalties or injunctive relief, seizure or aircraft, **certification** action or criminal penalties during the past ten (10) years?

. . . . . Yes \_\_\_\_\_ No ✓

(If "Yes," please describe, and indicate disposition or current status of each action in the space provided in Attachment A.)

13. Have you ever been charged with any unfair or deceptive or anticompetitive business practices, or any fraud, felony or antitrust violation during the past ten (10) years?

. . . . . Yes \_\_\_\_\_ No ✓

(If "Yes," please describe, and indicate disposition or current status of each proceeding in the space provided in Attachment A.)

14. Have you ever been the subject of a consumer complaint **proceeding** during the past three (3) years? . . . . . \_\_\_\_\_ ✓

(If "Yes," please describe and indicate current status in the space provided in Attachment A.)



Signature

RALPH L. MELLARD

Print Name

Attachment

### Detailed Response

**RALPH L. MELLARD**

**712 Harpeth Trace Drive  
Nashville, TN 37221**

**Telephone: (615) 352-2955 or (800) 965-1449  
E-Mail: RMellard@aol.com**

**QUALIFICATIONS:**

- In-depth experience in a broad range of **financial and administrative functions**, both in a Fortune 500 corporation with worldwide operations and in development stage companies, including **financial and economic analysis, accounting, budgeting, capital resource allocation, systems development, labor relations and human resource administration.**
- Strong administrative, **analytical and communicative skills**; innovative, **resourceful, self-starting and goal-oriented.**

**EMPLOYMENT HISTORY:**

**Trans Global Airways System, Inc., Laguna Hills, CA**

**1996-1997 INDEPENDENT CONSULTANT, ACTING AS V.P. FINANCE AND CHIEF FINANCIAL OFFICER**

Responsible for **all financial functions required for the formation and operation of an international, scheduled service airline.** including **funding activities, capital structure planning, financial planning, budgeting, cash management, accounting, payroll, credit administration, insurance, and purchasing.**

**Nashville Air, Inc., Nashville, TN**

**1995-1996 VICE PRESIDENT - FINANCE AND CHIEF FINANCIAL OFFICER**

Responsibilities included **all financial and accounting functions, including raising capital through private/public offerings and debt placement, required for the formation and operation of a scheduled service airline. as well as equipment/facility negotiations and the development of computer and MIS systems required for airline operation.**

**Pan American World Airways, Inc., New York, NY**

**1991-1994 ASSISTANT CONTROLLER, FINANCIAL PLANNING AND ANALYSIS**

Performed **economic/financial analyses to identify strategies** for effective utilization of **corporate resources** (including **mergers, acquisitions, sale of assets**); developed and administered **corporate financial plan, operating budget and capital appropriations plan**; established **policies, procedures and controls to ensure achievement of corporate financial objectives**; monitored and analyzed the profitability of **each flight sector and business line operated by Pan Am**; directed negotiation of **landing fees and enroute navigational charges for international operations**; performed **labor economics/relations functions** as described below. Reported to **Sr. V.P. & Controller.**

After cessation of **Pan Am's operations, responsibilities, under U.S. Bankruptcy Court direction, included: coordination of the sale of Pan Am's assets, including establishment of policies, procedures and controls for all sales; direction of human resource, payroll and bankruptcy claim functions relating to all of Pan Am's current and former employees (30,000+); collection of outstanding receivables, both domestic and international.**

The functions of the following **three positions were all incorporated into the above position.**

**1987-1991 SYSTEM DIRECTOR, LABOR ECONOMICS AND COST MANAGEMENT**

Performed economic and operational analyses of **labor contracts and proposals for collective bargaining with Pan Am's labor groups**; developed negotiation plans and **strategies**; served as active member ("at the table") of all Company **negotiating teams**; developed employment cost **models for long term corporate planning**; monitored and analyzed **total employment costs**; performed various **human resource administration functions, including implementation of Pan Am's employee drug testing program.** Reported to **Sr. V.P. - Human Resources.**

*Instrumental in achieving concessionary collective bargaining agreements with Pan Am's five major labor groups, resulting in total annual savings in excess of \$200 million.*

**1985-1986 SYSTEM DIRECTOR, FINANCIAL ANALYSIS**

Performed/directed economic and financial analyses relating to corporate strategic options with impact on business structure and profitability; developed long range financial projections and strategic plans; developed and administered corporate capital appropriations plan.

**1980-1985 SYSTEM DIRECTOR, CORPORATE BUDGETS**

Developed and administered the annual corporate financial plan and the corporate operating budget (\$4 billion). Monitored financial performance and provided reports/analyses to senior management and the Board of Directors. Administered corporate staffing level control program. Developed and administered corporate barter program.

*Upon merger of Pan Am and National Airlines, implemented operating budget which reduced employment by 27% and total expenses by 12%, while business volume remained constant and US. CPI increased 26%*

**1974-1980 DIRECTOR, ACCOUNTING CONTROLS AND STATISTICAL ANALYSIS**

Developed and implemented new revenue determination and MIS system based on statistical sampling techniques; directed all accounting and statistical functions relating to passenger revenue, transportation liability accounts and commission expense; monitored all revenue, interline and sales accounting functions to ensure accuracy and integrity; supervised staff of statisticians, systems development specialists, accountants, clerical employees, and quality control analysts. Reported to V.P. & Controller.

**1972-1974 MANAGER, MARKETING ANALYSIS**

Analyzed and interpreted marketing data, including passenger traffic, revenue, yield, advance bookings, competitive situation, and general economic trends; developed sales quotas for Pan Am sales offices worldwide.

**Pan Am World Serviced, Patrick Air Force Base, FL****1963-1972 PROJECT ENGINEER, Systems Engineering Department**

Performed complete project design, planning and management, both technical and administrative, for large scale data handling, communications and missile/space vehicle tracking and control systems at Cape Kennedy, at remote stations on the Air Force Eastern Test Range and aboard tracking ships operating worldwide.

**The Martin Company, Canaveral Division, Cocoa Beach, FL****1962-1963 SYSTEMS ENGINEER, Quality/Reliability Engineering**

Performed engineering review, launch support and failure analysis to ensure technical quality and operational reliability of the Gemini Project launch vehicle (Titan II missile) and associated ground support systems.

**E.I. DuPont de Nemours & Company, Inc., Savannah River Plant, Aiken, SC****1960-1962 PHYSICIST, Reactor Technology Section**

Developed instrumentation systems for nuclear reactor monitoring and control; provided on-site technical analysis and direction of reactor operations, including reactor safety and operational optimization.

**EDUCATION:**

**Advanced Professional Certificate (post-MBA program), Corporate Financial Management, 1985, Graduate School of Business, New York University.**

**M.B.A., Management, 1971, Florida State University. GPA of 4.0; elected to Sigma Iota Epsilon, National Honorary and Professional Management Society.**

**B.S., Physics, 1960. The Citadel. Elected to Sigma Pi Sigma, National Honorary physics Society.**

MEMORANDUM

---

TO: AIRPortland "Key Personnel"

FROM:

RE: AIRPortland  
DOT Application Questionnaire

DATE:

---

The information contained in this DOT Application Questionnaire and/or this questionnaire when completed will be submitted to the Department of Transportation (DOT) in connection with AIRPortland's certification application. Please answer all questions. Provide more details where requested. Sign and date the form, and return to me without delay. Please indicate if you desire any part of your response to be kept confidential. "Key personnel" includes without limitation, directors, president., CEO, COO, all vice-presidents, directors or supervisors of operations, maintenance and finance, chief pilot and any part-time or full-time consultants to management.

- 
1. Please state your name and residence address:

DAVID J BARISH

14505 NE RICHARD LN

Newberg OR 97132

2. Title or Position with AIRPortland:

MANAGING DIRECTOR - CORPORATE FINANCE

---

3. Current employment, position, business address, and telephone:

Air Portland, Inc Managing Director - Corporate Finance  
7700 NE Ambassador Place Suite 100  
Portland Or 97220 503 288-8855 x117

4. Are you a citizen of the United States? . . . . . Yes ☒ No ☐

5. If you are not a U.S. citizen, please indicate your nationality and current immigration status:

6. Are you currently an officer, director or major shareholder (5% or more of the total stock), or do you have any other significant interest in any air carrier, foreign air carrier, common carrier, person substantially engaged in the business of aeronautics, or person whose principal business is the ownership or control of any such transportation or aeronautic activity? . . . . . Yes ☐ No ☒

(If your answer is "Yes," please provide detailed information relating to each such relationship or interest in the space provided in Attachment A to this questionnaire).

7. Have you held, in the past, any position with any U.S. or foreign air carrier, or other aviation related business? . . . . . Yes ☒ No ☐  
 (If "Yes," please provide information regarding all positions held, with dates and responsibilities, and any other relevant information in the space provided in Attachment A.)

8. Are you the subject of any pending legal action, or outstanding judgment, involving a claim in excess of \$5,000? . . . . . Yes ☐ No ☒ 4

(If "Yes," please provide date and amount of each claim or judgment, and name of each claimant or judgment creditor, in the space provided in Attachment A.)

9. Are you the subject of any pending legal action or outstanding judgment involving a claim of less than \$5,000? . . . . . Yes ☐ No ☒  
 (If "Yes," provide total number and aggregate amount of all claims and/or judgments outstanding against you in the space provided in Attachment A.)

10. Have you ever been the subject of a formal complaint regarding compliance with the Federal Aviation Act of 1958, or any order, rule, regulation or other requirement **issued** pursuant to the Act, during the past five (5) years? . . . . . Yes \_\_\_\_\_ No ✓

(If "Yes," describe each complaint, and indicate the current status or final disposition of each complaint in the space provided in Attachment A.)

11. Have you ever been found guilty of any violations of the Federal Aviation Act, or any other, rule or regulation issued under the Act, during the past ten (1) **years**? . . . . . Yes \_\_\_\_\_ No ✓

(If "Yes," please describe, and indicate disposition or current status of each **proceeding** in the space provided in Attachment A.)

12. Have you ever been the subject of an action taken by the Federal Aviation Administration (FAA) involving **administration** action, civil penalties or injunctive relief, seizure or **aircraft**, certification action or criminal penalties during the past ten (10) years? . . . . . \_\_\_\_\_ ✓

(If "**Yes**," please describe, and indicate disposition or current status of each action in the space provided in Attachment A.)

13. Have you ever been charged with any unfair or deceptive or anticompetitive business practices, or any fraud, felony or antitrust violation during the past ten (10) **years**? . . . . . Yes \_\_\_\_\_ No ✓

(If "Yes," please describe, and indicate disposition or current status of each **proceeding** in the space provided in Attachment A.)

14. Have you ever been the subject of a consumer complaint **proceeding** during the past **three** (3) years? . . . . . Yes \_\_\_\_\_ No ✓

(If "Yes," please describe and indicate current status in the space provided in Attachment A.)

David J Barish  
Signature

DAVID J Barish  
Print Name

Attachment

ATTACHMENT A  
DOT APPLICATION QUESTIONNAIRE

Name of Person Responding - David J Barish

Question  
Number

Detailed Response

7

Vice President Finance & CFO - <sup>Director</sup> The Flying Tiger Line, Inc  
1971 - 1977 - All Financial dept responsibilities - Bd of Directors  
Secretary - Treasurer The Flying Tiger Line Inc 1969-1971  
Corp Secretary - financial public relations - Treasury dept

7

President - Sunland Airlines Inc 1980-1981

DAVID J. **BARISH** C.P.A. M.B.A  
13500 SW Pacific Hwy  
Suite 250  
Portland Oregon 97223  
(503) 538-6800

**Senior Financial** Executive with **over 35 years** of expanding responsibility looking for a decision making position which contributes to increasing **corporate** profitability.

#### PROFESSIONAL HIGHLIGHTS:

1996 to present Sr VP **Finance & CFO – Surplus Software, Inc**, Rapidly growing reseller of **prior version hardware and** software. Revenue growth doubled to **over \$50** million.

- \* Venture **capital** infusion of \$3.6 million
- \* **Establish** \$4 million line of credit **at prime rate**
- \* **Obtain** firm commitment for **IPO**
- Part of Executive management team and **participant** in **Board of Directors** meetings
- \* Key **negotiator** with President for Merger **with** Public Company

1977 to 1996 President, **Barish & Company, Inc. Financial** and Management Consultants. **Assist** public and private clients with strategic **and business** planning, mergers and acquisitions, **raise** venture capital and complete **IPO's**. Director of public **company** client. **Acting CFO** for **several** corporate **clients**(see below for specific accomplishments).

1985 to 1995 Acting Chief financial Officer, San **Diego** manufacturer of sensor to detect **carbon** monoxide.

- \* **Transition** from **research** and development company to leading manufacturer of **proprietary sensor**.
- \* Responsible for development of **five year plan** with revenue growing from **\$2.5 million** to over \$30 million in **fifth year**.
- \* **Strategic** alliance with First **alert** has **generated actual** results: revenue over **\$30** million run rate in **fiscal 1995**. Growth from 1993 to **1995** has **increased** from 9 to 170 employees; **actual** profits growing from **\$500,00** in 1993 to \$2.7 million in 1994.
- \* **Negotiated** venture capital offer of \$4 million **equity infusion**;(company declined since **forecast indicated internal** cash flow would **allow** for projected growth without selling equity).

David J. Borish

- 1990 Developed **5 year** strategic **plan** for **Metro One Direct**, **Portland Oregon** communication provider us **an alternate** to the **Baby Bells** information service. Now providing **Cellular** connections for mobile users and information **services** for **Baby Bell companies**. 1996 IYO.
- 1986-1992 **Consultant** to **Mail Boxes Etc**, Son Diego based **leading franchisor** with revenues in excess of **\$40 million**.
- **Assisted President** and **CFO** in the **development** of **five ycor** **strategic plan** growing from **130** franchisees to over **1000** in **60** month period.
  - **Completed IPO** in 1987 **raising \$11 million**
  - Assisted negotiation of UPS equity acquisition of \$10 million in 1990.
  - **formed internal audit** group responsible for auditing **franchisees performance** resulting in **\$100,000** of increased **royalty** revenue per year. Rated in top 100 **fastest** growing franchisors in **terms** of profits and **return on** equity.
- 1984-1985 Acting **CFO** for Son Diego based **Xscribe Corporation**, **leading manufacturer** of Court report equipment;
- Developed **5 year** business **plan** **portraying** revenue **growth** from **\$4** million to **\$40 million**. Grew to \$10 million in first ycor **while** acting **CFO**. Profits in excess of \$1 million after tax.
  - **Raised** \$5 million in **venture capital** funds and \$2 million in **R & D** funds from public **R & D** fund. **Hired** full time **CFO** and completed **PO**.
- 1981-1984 **Hesponsible** for turnaround **performance** of **software client** (San Diego based **R.J. Software**) negotiated \$3 million buy-out by **NYSF** computer company.
- 1981-1984 **Acting** **CFO** for **Inesco**, Son Diego based **research** company developing **nuclear fusion** program. **Negotiated IPO** with **Wall Street** underwriter.
- 1980-1981 **President**, **Sunlond Airlines**, **certificated** scheduled **airline** **utilizing** all **jet** fleet. **Formed** **FAA approved** airline; **negotiated** acquisition of six jets from **Boeing**; built **staff** and **organization** from **start**; **initiated** scheduled **West Coast** jet **service** with revenue in first **six** months of **\$10million**. **Negotiated** **Wall Street** underwriting for **\$5 million IPO**.

David J. Borish

1977–1980 Financial Advisor to President, **Evergreen International Airlines**, McMinnville Oregon. Helicopter company expanded by acquiring charter airline.

- \* Responsible for converting to cargo carrier; built revenue from \$9 million to **\$77 million** in **3 years**. Profits in excess of **5 million**
- \* Raised \$70 million in insurance company financing.

1969-1977 **Vice-President Finance and Chief Financial Officer and Director, The Flying Tiger Line, Inc., Vice-President Finance and Chief Financial Officer, Tiger International. Largest all cargo airline in the world.** Parent revenue in excess of **\$500 million**, total assets in excess of **\$2 billion**. Revenue growth of airline from **\$95 million to over \$300 million**. Profits increased from **\$4 million to over \$30 million**.

- \* Formed holding company in 1970 wherein airline become a subsidiary of the newly formed parent. Launched NYSE acquisition of fourth largest railcar leasing company in the country. (North American Car Corp)
- \* Responsible for all Control&ship, Treasury, Audit, MIS(IT), and tax functions. Total of over **350 employees** in finance group. Not one key manager departed in **7 years**. Also responsible for shareholder relations and dealing with Wall Street financial community. Produced annual reports and prepared for annual stockholder meetings. Arranged for annual company meeting with Wall Street financial analysts.
- \* Raised **\$60 million** to finance first industry conversion of three passenger Boeing 747 aircraft to cargo configuration in 1974. Financed acquisition of **18 DC -8 cargo aircraft**, total value of over **\$200 million** in 3 years 1969-1971,
- \* Negotiated **\$1.5 million** insurance company secured aircraft debentures.

1967-1969 Chief Financial Officer, Western Geophysical Company. (Division of Halliburton Industries)

- \* Based in Los Angeles, largest oil exploration company in USA. Recommended relocation and consolidation of administrative offices in Los Angeles to operations headquarters in Houston Texas, saving **\$500,000** per year. Developed relocation plan and implementation schedule.

1965-1967 Vice-President Finance, Republic Homes, Inc., Costa Mesa, California developer of residential tract homes. Developed over **500 units per year** with revenue in excess of **\$50 million per year**

1960-1965 CPA, Touche, Ross, Bailey & Smart/Kenneth Leventhal & Co.

David J. Borish

OTHER RESPONSIBILITIES:

1993 Board of Directors, Home Lending Associates, Inc  
1985 -- 1986 Board of Directors, Oregon Ballet Theater  
1973-- 1980 Board of Trustees, Pepperdine University  
1971--1977 Board of Directors, The Flying Tiger Line, Inc

EDUCATIONAL HIGHLIGHTS:

1960 University of Pennsylvania, Wharton School of finance and Commerce  
BS of Economics; major of accounting

1973 Pepperdine University, Malibu California, executive MBA program for  
senior executives, received MBA in 1973

1974 1977 Taught graduate classes in management and finance for Pepperdine  
University

1995-6 Continuing education for CPA

Exhibit 3(a)

**MEMORANDUM**

---

TO: AIRPortland "Key Personnel"

FROM:

RE: AIRPortland  
DOT Application Questionnaire

DATE:

---

The information contained in this DOT Application Questionnaire and/or this questionnaire when completed will be submitted to the Department of Transportation (DOT) in **connection** with **AIRPortland's** certification application. Please answer all questions. Provide more details where requested. Sign and date the form, and return to me without delay. Please indicate if you desire any part of your response to be kept confidential. "Key personnel" includes without limitation, directors, president, CEO, COO, all vice-presidents, directors or supervisors of operations, maintenance and finance, chief pilot and any part-time or full-time consultants to management.

---

- 
1. Please state your name and residence address:

THOMAS F. KILBOURN

---

5564 CANVASBACK ROAD

---

BLAINE, WA. 98230

---

2. Title or Position with AIRPortland:

CHIEF PILOT / DIRECTOR OF TRAINING

---

& STANDARDS

---

3. Current employment, position, business address, and telephone:

CHIEF PILOT / AIRPORTLAND INC. (503) 288-8855  
ONE AIRPORT CENTER, SUITE 104  
7700 N.E. AMBASSADOR PLACE, PORTLAND, OR. 97220

4. Are you a citizen of the United States? . . . . . Yes ☒ No ☐

5. If you are not a U.S. citizen, please indicate your nationality and current immigration status:

\_\_\_\_\_  
 \_\_\_\_\_

6. Are you currently an officer, director or major shareholder (5% or more of the total stock), or do you have any other significant interest in any air carrier, foreign air carrier, common carrier, person substantially engaged in the business of aeronautics, or person whose principal business is the ownership or control of any such transportation or aeronautic activity? . . . . . Yes ☐ No ☒

(If your answer is "Yes," please provide **detailed** information relating to each such relationship or interest in the space provided in Attachment A to this questionnaire).

7. Have you held, in the past, any position with any U.S. or foreign air carrier, or other aviation related business? . . . . . Yes ☒ No ☐  
 (If "Yes," please provide information regarding all positions held, with dates and responsibilities, and any other relevant information in the space provided in Attachment A.)

8. Are you the subject of any pending legal action, or outstanding judgment, involving a claim in excess of \$5,000? . . . . . Yes ☐ No ☒

(If "Yes," please provide date and amount of each claim or judgment, and name of each claimant or judgment creditor, in the space provided in Attachment A.)

9. Are you the subject of any pending legal action or outstanding judgment involving a claim of less than \$5,000? . . . . . Yes ☐ No ☒  
 (If "Yes," provide total number and aggregate amount of all claims **and/or** judgments outstanding against you in the space provided in Attachment A.)

10. Have you ever been the subject of a formal complaint regarding compliance with the Federal Aviation Act of 1958, or any order, rule, regulation or other requirement issued pursuant to the Act, during the past five (5) years? . . . . . Yes \_\_\_\_\_ No ✓

(If "Yes," describe each complaint, and indicate the current status or final disposition of each complaint in the space provided in Attachment A.)

11. Have you ever been found guilty of any violations of the Federal Aviation Act, or any other, rule or regulation issued under the Act, during the past ten (1) years?  
..... Yes \_\_\_\_\_ No ✓

(If "Yes," please describe, and indicate disposition or current **status** of each **proceeding** in the space provided in Attachment A.)

12. Have you ever been the subject of an action taken by the Federal Aviation Administration (FAA) involving **administration** action, civil penalties or injunctive relief, seizure or aircraft, certification action or criminal penalties during the past ten (10) years?  
..... Yes \_\_\_\_\_ No ✓

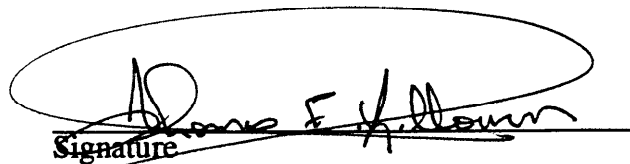
(If "Yes," please describe, and indicate disposition or current status of each action in the space provided in Attachment A.)

13. Have you ever been charged with any unfair or deceptive or anticompetitive business practices, or any fraud, felony or antitrust violation during the past ten (10) years?  
..... Yes \_\_\_\_\_ No ✓

(If "Yes," please describe, and indicate disposition or current **status** of each proceeding in the space provided in Attachment A.)

14. Have you ever been the subject of a consumer complaint **proceeding** during the past three (3) years? . . . . . Yes \_\_\_\_\_ No ✓

(If "Yes," please describe and indicate current status in the space provided in Attachment A.)

  
Signature

THOMAS F. KILBOURN  
Print Name

Attachment

ATTACHMENT A  
DOT APPLICATION QUESTIONNAIREName of Person Responding - THOMAS F. KILBOURNQuestion  
NumberDetailed Response

7 )

MEMBER BOARD OF DIRECTORS  
NORDAIR DEC/84 → DEC 85PILOT CANADIAN AIRLINES INTL.  
1986 → 1998

**THOMAS F. KILBOURN**

<b>DOMICILE:</b>	5564 Canvasback Road Blaine, WA 98230
<b>TELEPHONE:</b>	(360) 371-0987
<b>FAX:</b>	(360) 371-3000
<b>E-MAIL:</b>	av8ora320@aol.com
<b>DATE OF BIRTH:</b>	December 4, 1948; Montreal, Canada
<b>CITIZENSHIP:</b>	Dual (United States and Canada)
<b>LANGUAGES SPOKEN:</b>	English and French
<b>RELIGION:</b>	Christian/Protestant
<b>MARITAL STATUS:</b>	Married (Elaine Kilbourn)
<b>DEPENDENTS:</b>	Daughter (Ireene Kilbourn dob 8/17/87)
<b>CRIMINAL RECORD:</b>	None
<b>HIGH SCHOOL:</b>	Sir George Williams High School (completion 1968) Montreal, Canada

---

<b>UNIVERSITY:</b>	First Year Business (1968) Sir George Williams University (Concordia) Montreal, Canada
<b>BUSINESS/SECURITIES:</b>	Completed Canadian Securities course 1988 which permits employment as a Stock Broker in Canadian securities business
<b>BUSINESS INTERESTS:</b>	Freehold interest in 8,700 acres of mineral (oil and gas) titles near Calgary, Alberta, Canada, through Kilbourn Oil & Gas Ltd.
<b>CORPORATE:</b>	Served as a member of the Board of Directors of Nordair Inc., a Canadian (B-737) Regional Jet Airline (December 1984 to December 1985)
<b>GRAND TOTAL FLYING HOURS:</b>	14,000 hours
<b>TOTAL FLYING HOURS JET AIRCRAFT (B-737, A-320, DC8-61 F):</b>	10,000 hours
<b>TOTAL FLYING HOURS PILOT-IN-COMMAND:</b>	3,400 hours
<b>TOTAL FLYING HOURS PILOT- IN-COMMAND JET AIRCRAFT (B-737, A-320):</b>	1,200 hours